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May 10, 2005

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File No. 20939-0100-60

VIA HAND DELIVERY

Ms. Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

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MAY 10 2005

Federal Communications Commission
Office of Secretary

Re: **Petition for Reconsideration**
Amendment of Section 73.202(b)
Table of Allotments
FM Broadcast Stations
(Evergreen, Alabama and Shalimar, Florida)
MB Docket No. 04-219
RM-10986

Dear Ms. Dortch:

Transmitted herewith on behalf of Quantum of Fort Walton Beach License Company, LLC, are an original and four copies of its Petition for Reconsideration in the above-referenced matter.

If there are any questions concerning this submission, please contact the undersigned directly.

Sincerely,

John M. Pelkey

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Before the
Federal Communications Commission
Washington, D.C. 20054

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MAY 10 2005
Federal Communications Commission
Office of Secretary

In the Matter of)
)
Amendment of Section 73.202(b)) MB Docket No. 04-219
Table of Allotments) RM-10986
FM Broadcast Stations)
(Evergreen, Alabama and Shalimar, Florida))

To: Office of the Secretary

Attention: Assistant Chief, Audio Division
Media Bureau

PETITION FOR RECONSIDERATION

John M. Pelkey
Garvey Schubert Barer
1000 Potomac Street, N.W.
Fifth Floor, Flour Mill Building
Washington, D.C. 20007

Date: May 10, 2005

Summary

Qantum of Ft. Walton Beach License Company, LLC (“Qantum”), by its attorneys, hereby petitions the Commission for reconsideration of the Commission’s *Report and Order*, released March 25, 2005, in the above-referenced rule making. In that *Report and Order*, the Commission adopted a proposal to deprive the citizens of Evergreen, Alabama, of service so as to permit the provision of yet another new station to serve the already abundantly-served market of Fort Walton Beach, Florida. The *Report and Order* is contrary to the public interest. Not only does it exalt form over substance by ignoring the fact the proposal is, for all intents and purposes, a proposal to drop a new channel into Fort Walton Beach, but it also has caused the Commission to unwittingly become a pawn in an effort by Cumulus Media, Inc., the largest broadcaster in Fort Walton Beach, to yet further increase its monopolistic market share to the detriment of competitors and to engage in a blatant violation of the Commission’s Multiple Ownership Rule. As a result, the *Report and Order* must be reversed.

Table of Contents

	Page
Summary.....	ii
I. Background.....	2
II. The <i>Report and Order</i> has turned Tuck into a Sham.....	3
III. Cumulus Media Now has an Attributable Interest in Five Fort Walton FM Stations – A Clear Violation of the Commission’s Multiple Ownership Rule...	7
IV. The Commission has Unwittingly Become a Pawn In an Effort by the largest Broadcaster in the Fort Walton Beach Market to Increase its Market Share by Stifling Competition.....	8
Conclusion.....	12

Before the
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To: Office of the Secretary

Attention: Assistant Chief, Audio Division
Media Bureau

PETITION FOR RECONSIDERATION

Qantum of Ft. Walton Beach License Company, LLC ("Qantum"), by its attorneys, hereby petitions the Commission for reconsideration of the Commission's *Report and Order*, released March 25, 2005, in the above-referenced rule making.¹ In that *Report and Order*, the Commission adopted a proposal to deprive the citizens of Evergreen, Alabama, of service so as to permit the provision of yet another new station to serve the already abundantly-served market of Fort Walton Beach, Florida. The *Report and Order* is contrary to the public interest. It exalts form over substance by ignoring the fact the proposal is, for all intents and purposes, a proposal to drop a new channel into Fort Walton Beach. In addition, it has now become clear, based upon materials filed with the Commission since the adoption of the *Report and Order*, that the Commission has been played as the unwitting dupe to the efforts of Cumulus Media, Inc., the largest broadcaster in Fort Walton Beach, to yet further increase its monopolistic market share by foreclosing competition by Qantum and others to the direct detriment of the public by joining

¹ A summary of the *Report and Order* was published in the Federal Register on April 13, 2005, 70 Fed. Reg. 19337. This Petition for Reconsideration is thus timely filed. See 47 C.F.R. §1.429(d).

forces with Star Broadcasting, Inc., to prevent the development of competitors capable of developing on an equal facilities footing with Cumulus and able to compete with Cumulus's formats of choice. This combination seeking to forestall the development of competition has even gone so far as to cobble together an arrangement that gives Cumulus an unlawful interest in five FM stations in the Fort Walton Beach market in direct violation of the Commission's Multiple Ownership Rule,² a result directly attributable to the Commission's decision to withdraw service from Evergreen and move that service to the already well-served Fort Walton Beach market. As a result, the *Report and Order* must be reversed.

I. Background.

On August 20, 2003, Gulf Coast Broadcasting Company, Inc. ("Gulf Coast"), licensee of WPGG(FM), Evergreen, Alabama filed a notice of proposed rule making in which it sought the downgrading of allotted Channel 227C1 in Evergreen to Channel 227C2 and the reallocation of Channel 227C2 from Evergreen to Shalimar, Florida. Gulf Coast also proposed the modification of the WPGG(FM) license to specify operation on Channel 227C2 in Shalimar. Gulf Coast proposed this reallocation pursuant to Section 1.420(i) of the Commission's Rules, which permits the modification of a station's license to specify a new community of license without affording other interested parties an opportunity to file competing expressions of interest. *See Amendment of the Commission's Rules Regarding Modification of FM and TV Authorizations to Specify a New Community of License*, 4 FCC Rcd. 4870 (1989), *recon. granted in part*, 5 FCC Rcd. 7094 (1990) ("*Change of Community MO&O*"). The requisite Notice of Proposed Rule Making ("*NPRM*"), inviting the submission of comments, was released by the Commission on June 10, 2004.³ Quantum, pointing out that the proposal would cause a withdrawal of service from more

² 47 C.F.R. §73.3555.

³ *Evergreen, Alabama, and Shalimar, Florida*, 19 FCC Rcd 10208 (Media Bureau 2004).

than 97,000 people, would create a new underserved area populated by more than 9,000 people and would fail to achieve a preferential arrangement of allotments inasmuch as it would not provide a first local service to Shalimar, but would in fact do no more than add an additional reception service to the already well-served Fort Walton Beach Urbanized Area, submitted Comments in opposition to the proposal. Despite Quantum's Comments, the *Report and Order*, ignoring without explanation the Technical Statement demonstrating the creation of the underserved area, granted the proposal.

II. The *Report and Order* has turned *Tuck* into a Sham.

At the time that the Commission decided to permit licensees to seek modification of their station licenses to specify a new community of license, it acknowledged that the policy it was adopting carried with it the potential for abuse inasmuch as it would allow licensees to relocate stations from rural areas to well-served larger metropolitan areas and to deprive listeners in such rural areas of service. *Change of Community MO&O*, paras. 13 & 14. The Commission assured the public, however, that it would vigilantly guard against such gaming of the system and particularly explained that it would not sanction reallocations that would not be fair, equitable and efficient pursuant to Section 307(b) of the Communication's Act. In an effort to establish a mechanism for ensuring that licensees do not engage in the type of abuse against which the Commission had warned in the *Change of Community MO&O*, the Commission decided that a rule making proponent is not to be given credit for providing first local transmission service if the proposed community of license is within an Urbanized Area unless the proponent can demonstrate that the proposed new community of license is sufficiently independent of the Urbanized Area. *Faye and Richard Tuck*, 3 FCC Rcd. 5374 (1988) ("*Tuck*"). It unfortunately has become a truism, however, that the Commission seldom observes its own holding in *Tuck*,

with the result that the public is now being disserved. The present case presents a perfect example of the Commission's failure to observe that precedent.

There is such a close interconnection between Fort Walton Beach and Shalimar that it simply makes no sense to treat Shalimar as being a separate community entitled to its own local broadcast service. Shalimar is separated from Fort Walton Beach by only three miles. It has only 718 residents, as compared to Fort Walton Beach's 152,741 people. It has only a part-time elected government and, in fact, its town manager lives outside of the town. It relies on other governments in the Fort Walton Beach Urbanized Areas for numerous municipal services. The high school attended by Shalimar students is located in Fort Walton Beach. It has no library. Although Shalimar has a police department, the Shalimar police force encourages residents to leave a voicemail message when no one is available at the police station or to call the Okaloosa County Sheriff's dispatcher. If the dispatcher is called, an Okaloosa County Sheriff, not a Shalimar police officer, responds to the call. Shalimar does not contain a location to register an automobile or to obtain a driver's license. There is no voter registration office in Shalimar. Water service is provided by the county. Natural gas service is provided by the Okaloosa County Gas District. Shalimar does not have its own telephone book and, as a result, listings for Shalimar are placed in the Fort Walton Beach telephone book. Shalimar has no hotels or motels and tourism is limited to people stopping at the local gas station. Residents seeking hospital services must travel to Fort Walton Beach or Niceville. Shalimar operates no public transportation beyond school buses and the 2000 U.S. Census indicates that only one person uses public transportation to travel to work. The conclusion is inescapable that Shalimar is simply intertwined with the rest of the Fort Walton Beach Urbanized Area.

Perhaps most telling, Shalimar is inextricably intertwined with the Fort Walton Beach Urbanized Area when it comes to consideration of the Urbanized Area's media facilities. Shalimar is located within the Fort Walton Beach Arbitron Metro Market. The town's website has prescribed that the Official Emergency Alert Stations in "our area" broadcast flood and hurricane information on 1260 AM, 99.5 FM, 96.5 FM and 105.5 FM. All of these stations are stations that are located in the Fort Walton Beach Urbanized Area that provide coverage to Shalimar.⁴ Significantly, the Shalimar proposal itself provides mute testimony as to the interrelationship between Shalimar and the Fort Walton Beach Urbanized Area inasmuch as the proposed Shalimar allocation prescribes an open area that is so far at the extreme southern portion of the Fort Walton Beach Urbanized Area that it barely squeezes onto dry land. It has as much in common with Fort Walton Beach as it does with Shalimar. Moreover, that open area and its immediate environs are where many of the other stations allocated to communities in the Fort Walton Beach Urbanized Area are located and it appears that the WPGG(FM) "Shalimar" facilities actually will be constructed at the Fort Walton Beach tower on which WTKE(FM) is now located. From either the Shalimar reference coordinates or the WTKE(FM) transmitter site, the Shalimar station would provide 70 dBu contour coverage to the bulk of the Fort Walton Beach Urbanized Area. In short, the Shalimar facility would be indistinguishable in location and coverage area from the numerous other stations that are already allocated to Fort Walton Beach and the other communities in the Fort Walton Beach Urbanized Area. Under these circumstances, it strains logic to grant dispositive credit for first local service to the Shalimar proposal. If such credit can be granted in the present case, it can be granted in nearly any case –

⁴ All four of these stations are owned by Cumulus.

with the result that the *Change of Community MO&O*'s promise of vigilance with respect to the abandonment of rural areas becomes a cynical misrepresentation.⁵

Balanced against the fact that the Shalimar allocation is, for all intents and purposes, an allocation to the Fort Walton Beach Urbanized Area is the fact that the proposal causes Evergreen, Alabama, and the surrounding area to be deprived of service. At the time that Quantum filed its Comments with respect to the *NPRM*, Quantum included a showing that the reallocation of Channel 227C2 would cause the withdrawal of reception service in Evergreen and would create new underserved areas. Specifically, Quantum included with its Comments an engineering statement prepared by Graham Brock, Inc., which conclusively demonstrated that the proposed allocation to Shalimar would withdraw service from 97,195 people and that, of these, 9,062 people (i.e., nearly 10 per cent) would receive fewer than five full-time services if the proposal were adopted. For some inexplicable reason, the *Report and Order* reaches a contrary conclusion with respect to the creation of underserved population, but provides

⁵ Eight factors are used in performing a *Tuck* analysis. The Commission found that it was unable to find in Gulf Coast's favor with respect to the second, seventh or eight factors. With respect to the first factor, the extent to which residents work in the larger metropolitan area rather than the specified community, the Commission admitted that it had no data supporting the claim that residents worked in Shalimar, rather than the larger Urbanized Area, but it then engaged in unbridled speculation by assuming that, because the mean commuting time for Shalimar workers is 16.3 minutes, there must be a substantial number of Shalimar residents who work in Shalimar rather than the Fort Walton Beach Urbanized Area. In leaping to this conclusion, the *Report and Order* ignores the fact that Fort Walton Beach is but three miles from Shalimar, with the result that a commuter traveling at only 20 miles per hour is just 9 minutes from Shalimar. The data concerning commuting times are thus just as consistent with a majority of Shalimar residents working in Fort Walton Beach or elsewhere in the Urbanized Area as they are with a majority of Shalimar residents working in Shalimar. Similarly, the Commission's decision to give credit to Gulf Coast for the third factor, perception of community leaders and residents as to the independence of the specified community from the larger area, is undermined by the fact that the Commission's support consists of a self-serving letter from the Town Manager who is a resident of the Urbanized Area, not Shalimar. In a like vein, giving Gulf Coast full credit for having a local zip code makes no sense given the fact that Shalimar phone listings are found in the Fort Walton Beach phone book, which constitutes evidence of the interdependence of Shalimar and the Fort Walton Beach Urbanized Area. As the Commission itself admits in the *Report and Order*, a community is considered to be independent of the Urbanized Area only if a majority of the *Tuck* factors evidence the community's independence. *Report and Order* at n.11. In this case, a majority of those factors demonstrate that Shalimar is not independent. In any event, as is explained above, compliance with the *Tuck* factors is not dispositive. What is dispositive is whether the proposal satisfies the policy decision in the *Change of Community M&O* that the decision to permit licensees to change their communities of license not be used to permit licensees to abandon rural communities to serve already well-served larger markets.

absolutely no explanation setting forth the reason for the Commission's rejection of the Graham Brock analysis. Reasoned decision making requires such an explanation and the Commission's failure to provide it in and of itself mandates reconsideration of the proposal.⁶

In the absence of any explanation by the Commission for its rejection of the Graham Brock analysis, the uncontroverted evidence of record clearly demonstrates that the Channel 227C2 allotment to Shalimar has resulted in precisely the nightmare scenario envisioned by the Commission when it adopted the *Change of Community MO&O*. The use of the *Tuck* factors supposedly was designed to help ensure that the adoption of the *Change of Community MO&O* did not lead to a situation in which licensees migrated to well-served larger metropolitan areas at the expense of listeners in rural areas. Nevertheless, the Commission has sanctioned precisely such a result in this case. Inevitably, the conclusion that must be reached is either that the Commission has misapplied the *Tuck* factors in this instance or that the *Tuck* factors are simply not doing their job inasmuch as they are permitting licensees to game the system to the detriment of rural listeners. The Commission must reverse the *Report and Order* if the *Change of Community MO&O* is to regain any integrity.

III. Cumulus Media Now has an Attributable Interest in Five Fort Walton FM Stations – A Clear Violation of the Commission's Multiple Ownership Rule.

Cumulus has lent \$1.5 million to Star Broadcasting, Inc. ("Star ") to permit Star to purchase WPGG(FM) from Gulf Coast. Given the fact that there is minimal equity in Star at this point, Cumulus's loan of \$1.5 million places Cumulus in a position where it holds more than

⁶ Similarly unexplained by the *Report and Order* is the rationale for permitting the creation of the underserved area containing the 1,400 persons who, even the *Report and Order* admits, will be underserved. Service will be withdrawn from these people solely to permit the residents of the Fort Walton Beach market to receive their 18th service. The Commission has consistently held that such losses in service are prima facie inconsistent with the public interest and require a strong showing of countervailing factors. See *West Michigan Telecasters, Inc.*, 22 FCC 2d 943 (1970), *recon. denied*, 26 FCC 2d 668 (1970), *aff'd*, *West Michigan Telecasters, Inc.*, 460 F. 2d 883 (D.C. Cir. 1972); *Triangle Publications, Inc.*, 37 FCC 307, 313 (1964).

33% of the total debt plus equity in Star and thus holds an attributable interest in the station under the Commission's Equity/Debt Plus attribution rule.⁷ Because the reallocation of WPGG(FM) from Evergreen to the Fort Walton Beach market has become effective as of May 9, 2005, Cumulus currently holds attributable interests in five FM stations in the Fort Walton Beach market. According to BIA, there are only 18 stations, including WPGG(FM), in the Fort Walton Beach market at this point, meaning that no licensee may hold an attributable interest in more than four same-service stations.⁸ Consequently, the intricate scenario by which Cumulus has succeeded to Gulf Coast's petition for rulemaking has resulted in a flagrant violation of the Commission's Multiple Ownership Rule and, unfortunately, the Commission has been an unwitting pawn in these machinations.

IV. The Commission has Unwittingly Become a Pawn In an Effort by the Largest Broadcaster in the Fort Walton Beach Market to Increase its Market Share by Stifling Competition.

At the time that the petition for rule making ultimately leading to the adoption of the *Report and Order* was filed, Gulf Coast was the licensee of WPGG(FM). Unreported until more than two months later was the fact that, just seven days after Gulf Coast filed its petition for rule making, it entered into an asset purchase agreement for the sale of WPGG(FM) to Star. Star is a broadcast entity with studios in Fort Walton Beach. Although the Commission granted its consent to the assignment of the WPGG(FM) license to Star on April 13, 2004,⁹ the closing on the transaction did not occur until April 18, 2005, a date more than one year after the Commission granted its consent to the assignment, but only three weeks after the release of the *Report and Order* in this proceeding. Even more significantly, documents only recently filed

⁷ See 47 C.F.R. §73.3555, Note2(i).

⁸ See 47 C.F.R. §73.3555(a)(1)(iii).

⁹ BALH-20031105AAA.

with the Commission now disclose that, on that same date of April 18, 2005, Star entered into an "Asset Exchange Agreement" with Cumulus Broadcasting LLC and Cumulus Licensing LLC whereby Cumulus agreed to purchase WPGG(FM) from Star.¹⁰ As an element of that agreement, Cumulus lent \$1,500,000 to Star on April 18, 2005 by directly paying that sum to Gulf Coast so that Star could purchase WPGG(FM) on that day. The total purchase price for WPGG(FM) as reported to the Commission by Star was \$2,750,000, meaning that Cumulus lent Star, which owns no other broadcast properties, approximately 55% of the purchase price for the station.¹¹ At the same time that Star entered into the Asset Exchange Agreement providing for the sale by it of WPGG(FM) to Cumulus, Star also entered into a separate Asset Exchange Agreement for the sale by Star to Cumulus of WTKE(FM).¹² In exchange for the sale by Star to Cumulus of WPGG(FM) and WTKE(FM), Cumulus will spin off WYZB(FM) Mary Esther, Florida, and WNCV(FM), Niceville, Florida, to Star. In addition, Star has agreed to execute an Option Agreement permitting Cumulus to purchase WBAU(AM) if and when Star acquires that station.

The upshot of these two Asset Exchange Agreements is that, upon consummation of the transactions contemplated by the two agreements, Cumulus, which currently holds in excess of a 70% market share in the Fort Walton Beach market, will have significantly upgraded its facilities while retaining the format, personnel and operating agreements in use at its lower-powered

¹⁰ The WPGG(FM) Asset Exchange Agreement was filed with the Commission on May 2, 2005, as part of the application seeking the Commission's consent to the assignment of the WNCV(FM) license, currently held by Cumulus Licensing LLC, to Star. See BALH-20050502ACB. That Asset Exchange Agreement is attached hereto as Exhibit A.

¹¹ Until its acquisition of WPGG(FM), Star held no other broadcast station licenses. Ronald E. Hale, Sr., who at various times has been a Star Broadcasting principal, apparently holds the right to program WTKE(FM), Holt, Florida. In addition, it appears that Star provides programming to WBAU(AM), Fort Walton Beach, Florida. The licensee of WBAU(AM) is Yesterday's Radio Network, LLC.

¹² The Asset Exchange Agreement providing for the sale of WTKE(FM) to Cumulus was provided as part of the application seeking the Commission's consent to the assignment of the WYZB(FM) license from Cumulus Licensing LLC to Star. See BALH-20050502ACC. That Asset Exchange Agreement is attached hereto as Exhibit B.

stations. It will have traded its Class C3 WYZB(FM), which operates at 25 kW at a HAAT of 93 meters, for Class C1 WTKE(FM), operating at 100 kW at a HAAT of 147 meters, and its Class A WNCV(FM), operating at 3.5 kW at a HAAT of 134 meters, for the Class C2 WPGG(FM) which, as a Class C2 station, will be able to operate at up to 50 kW with a HAAT of 150 meters. Of the 11 FM stations (including WPGG) in the market, it will own three of the four Class C1 facilities and one of the Class C2 facilities, with the remaining seven stations, constituting a mix of two Class C2, two Class C3 and two Class A stations, being divvied up among Cumulus's competitors.

This arrangement between Star and Cumulus has two implications for the present proceeding. First, it is abundantly clear that Cumulus will be operating WPGG(FM) from its Fort Walton Beach studios as a Fort Walton Beach market station, thus providing further evidence that the allocation authorized by the *Report and Order* is truly an additional allocation for the Fort Walton Beach Urbanized Area, not an allocation for Shalimar. Second, by reallocating WPGG(FM) from Evergreen to Fort Walton Beach, the Commission has become an unwitting participant in a sham arrangement whereby the licensee with monopolistic control of the Fort Walton Beach market will be able to increase its market share significantly inasmuch as the signals of the stations that it is acquiring from Star are much stronger than the signals of the stations being assigned to Star. In fact, Cumulus's CEO has even acknowledged to Qantum that the principal purpose of its arrangement with Star was to thwart Qantum as a competitor by making sure that Qantum did not obtain the "big sticks" in market. Unfortunately, the Commission, by ignoring reality and agreeing to the withdrawal of service from Evergreen and the addition of a new service at Fort Walton Beach has become an unwitting participant in Cumulus attempt to solidify its monopoly position.

Indeed, there is an irony in the fact that the station other than WPGG(FM) that is being assigned to Cumulus is WTKE(FM). Until recently, WTKE(FM) was proud to call Andalusia, Alabama, its home. The community of license of that station, however, was changed from Andalusia, Alabama to Holt, Florida in 2000. Within the past year, WTKE(FM) has been moved to Fort Walton Beach to a tower apparently owned by a Star affiliate.¹³ The flight of stations from southern Alabama to the much more lucrative Fort Walton Beach market thus continues with the Commission's decision in the *Report and Order* to permit WPGG(FM) to abandon Evergreen.

There is a high degree of likelihood that Cumulus's violation of the Multiple Ownership Rule will continue into the indefinite future. Cumulus's attempt to thwart competition by Quantum will be the subject of appropriate submissions both to the FCC and the Federal Trade Commission. Those submissions will focus not only on Cumulus's attempt to steamroll competition by foreclosing the ability of competitors to enjoy the benefits of the few higher powered facilities in the Fort Walton Beach market, but also by taking steps to ensure that Star and subsequent owners of WNCV(FM) and WYZB(FM) will not be able to compete with Cumulus. Specifically, Section 12.17 of both the WPGG(FM)-WNCV(FM) and the WTKE(FM)-WYZB(FM) swap agreements explicitly forbid Star and any successor in interest from instituting an adult contemporary or country program format "or any similar or derivate format" on WNCV(FM) or WYZB(FM) for a period of five years. Similarly, Section 12.16 of the agreements gives Cumulus a right of first refusal for ten years with respect to the ownership of both WNCV(FM) and WYZB(FM). The Asset Exchange Agreements even prohibit Star from acquiring any additional stations as long as the loans from Cumulus have not been paid off – thus

¹³ The Commission's Antenna Structure Registration reflects that the owner of the tower is Star Towers, LLC, an entity of which Jennifer Hale, Secretary, Treasurer, Director and 20% shareholder of Star, is a Member Manager. See Registration No.1228891.

preventing Star from creating a cluster of stations that could effectively compete with Cumulus. Both the anti-competitive purpose and intent of these provisions clearly raises issues that require resolution by both the Commission and the FTC and, while that resolution is being obtained, Cumulus will continue to hold an attributable interest in five FM stations in the Fort Walton Beach market, a clear violation of Section 73.3555 of the Commission's rules.

Because this rule violation directly results from the Commission's decision to reallocate WPGG(FM) from Evergreen to the Fort Walton Beach market, resolution of the problem is best achieved by reversing the *Report and Order* and reinstating Channel 227 C1 to Evergreen.

Conclusion

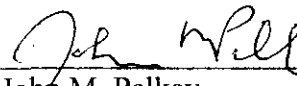
The *Report and Order*'s decision to reallocate Channel 227 from Evergreen, Alabama, to the Fort Walton Beach market must be reversed. Whether it is because the *Report and Order* has not properly applied the *Tuck* analysis or because *Tuck* does not provide the necessary protections, the *Report and Order*'s decision to reallocate Channel 227 has resulted in a situation where the well-served market of Fort Walton Beach is gaining an unneeded additional FM station while the residents of Evergreen are losing their station and more than 9,000 people will begin receiving fewer than five full-time services. Thus, unless the Commission reverses the *Report and Order*, it will find itself faced with precisely the kind of abandonment of rural areas that it sought to avoid at the time that it adopted the *Change of Community MO&O*.

Moreover, the need for Commission reconsideration is particularly acute in the present case. It is clear that Star and Cumulus has attempted to game the system. Within days of Gulf Coast having filed its petition for rulemaking in this proceeding, Star entered into an agreement with Gulf Coast to acquire WPGG(FM). Star then let a year elapse before it closed on the

acquisition of WPGG(FM) and only finally closed on the acquisition after the *Report and Order* in this proceeding was issued. Then, within three weeks of the issuance of the *Report and Order*, it closed on the acquisition of WPGG(FM), but only after having entered into an agreement with Cumulus whereby Cumulus, the holder of greater than a 70% market share in the Fort Walton Beach market, agreed to lend Star the funds necessary to permit it to close on the acquisition. As a result of that agreement and a cognate agreement dealing with WTKE(FM), unless the Commission or the FTC steps in, Cumulus will be able to trade its Class A 3.5 kW WNCV(FM) for the 50 watt WPGG(FM) and its Class C3 25 kW WYZB(FM) for the new Class C2 WPGG(FM). Competition will be squashed and the Commission's ownership rules will be circumvented. Even in the interim while Star and Cumulus await FCC and FTC action on its proposed transaction, Cumulus holds an impermissible interest in five FM stations in the market, all because of the *Report and Order*'s decision to reallocate Channel 227 from Evergreen to the Fort Walton Beach market. The solution to the problem caused by the reallocation is clear. The *Report and Order* must be reversed.

Respectfully submitted,

QANTUM OF FORT WALTON BEACH LICENSE
COMPANY, LLC

By: 
John M. Pelkey
Garvey Schubert Barer
1000 Potomac Street, N.W.
Fifth Floor, Flour Mill Building
Washington, D.C. 20007

Date: May 10, 2005

EXHIBIT A

ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT (the "Agreement") is made as of this 18th day of April 2005 by and among Star Broadcasting, Inc. ("SBI"), a Florida corporation, on the one hand, and Cumulus Broadcasting LLC ("CBL") and Cumulus Licensing LLC ("CLL" and, with CBL, sometimes collectively referred to hereinafter as "Cumulus"), each a Nevada limited liability company, on the other hand.

Recitals

WHEREAS, SBI is a party to that certain Asset Purchase Agreement (the "WPGG Purchase Agreement"), dated as of August 27, 2003, which would, upon consummation, enable SBI to acquire certain assets used and useful in the operation of radio station WPGG(FM) ("WPGG") in Evergreen, Alabama from Gulf Coast Broadcasting Company, Inc. ("Gulf Coast"); and

WHEREAS, the Federal Communication Commission ("FCC") has granted the Form 314 application of Gulf Coast and SBI for the assignment from Gulf Coast to SBI of FCC licenses and other authorizations for WPGG (File No. BALH-20031105AAA); and

WHEREAS, SBI needs One Million Five Hundred Thousand Dollars (\$1,500,000) in order to pay the purchase price specified in the WPGG Purchase Agreement; and

WHEREAS, Cumulus is prepared to loan SBI One Million Five Hundred Thousand Dollars (\$1,500,000) to enable SBI to consummate its acquisition of the WPGG Assets if, but only if, (1) SBI enters into this Agreement to assign to Cumulus certain assets used or useful in the operation of WPGG (the "WPGG Assets") in exchange for the assignment from Cumulus to SBI of certain assets (the "WNCV Assets") used or useful in the operation of WNCV(FM) ("WNCV") in Niceville, Florida, along with payment to SBI at Closing, as defined herein, of One Million Five Hundred Thousand Dollars (\$1,500,000), (2) SBI enters into an intercreditor agreement (the "Intercreditor Agreement"), along with its stockholders, which precludes SBI or its stockholders from acquiring the assets of any other radio station, or the ownership interests of an entity owning or holding the assets for any radio station, through any person or entity other than SBI until SBI's obligation to repay that One Million Five Hundred Thousand Dollars, along with accrued interest and related expenses, has been satisfied or extinguished, and (3) SBI executes a separate Option Agreement as of this same date providing Cumulus with an option to acquire assets (the "WBAU Assets") used or useful in the operation of WBAU(AM) in Fort Walton Beach, Florida if and when SBI acquires those assets; and

WHEREAS, subject to the terms and conditions set forth herein, the parties intend that the transactions contemplated by this Agreement qualify as a like-kind exchange in accordance with the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, Gulf Coast filed a Petition for Rulemaking (the "Petition") with the FCC proposing to amend the FM Table of Allotments by downgrading WPGG's channel from 227C1 to 227C2 and reallocating Channel 227C2 from Evergreen, Alabama to Shalimar, Florida; and

WHEREAS, the FCC granted the Petition and, subject to Gulf Coast filing a Form 301 application, modified the license for WPGG to specify operation on Channel 227C2 in Shalimar, Florida, *Evergreen, Alabama and Shalimar, Florida*, DA 05-763 (AD March 25, 2005) (the "*Report and Order*"; and

WHEREAS, the construction of the new facilities authorized by the *Report and Order*, with the initiation of Program Test Authority under FCC rules, is a condition precedent to Cumulus's willingness to consummate its acquisition of the WPGG Assets;

NOW, THEREFORE, in view of the foregoing and the mutual promises and covenants forth herein, the parties hereby agree as follows:

ARTICLE 1. Exchange of Assets

1.1. WPGG Assets. Subject to the terms and conditions set forth herein, at the Closing (as defined herein), SBI shall grant, convey, exchange, assign, transfer and deliver to Cumulus the WPGG Assets, which, except as otherwise specified herein, include all of SBI's right, title, and interest in and to the following properties, real and personal, tangible and intangible, and wherever located, used or held for use in the business and operations of WPGG:

(a) **Licenses and Authorizations.** All licenses, permits and other authorizations from the FCC (the "WPGG FCC Licenses") and other Governmental Authorities (the "WPGG Governmental Licenses"), copies of which are included in Schedule 1.1.(a) annexed hereto, together with any renewals or extensions thereof and additions thereto between the date of this Agreement and the Closing Date, and all applications for renewal, modification or extension thereof.

(b) **Tangible Personal Property.** Certain equipment, electrical devices, antennas, cables, fixtures, towers, spare parts, and other tangible personal property used or held for use in connection with the business and operations of WPGG which are listed on Schedule 1.1.(b) annexed hereto, and any additions and improvements thereto obtained or made between the date of this Agreement and the Closing Date (collectively, the "WPGG Tangible Personal Property").

(c) **Real Estate Leases.** Certain leases and other agreements for the use of real property used or held for use in the business or operations of WPGG (the "WPGG Real Estate Leases"), copies of which are annexed hereto on Schedule 1.1.(c).

(d) **Files and Records.** All FCC logs and other records required to be maintained by the FCC and any additional records that relate to the WPGG Assets.

(e) **Claims.** Except as set forth in Section 1.2, any and all claims and rights against third parties if and to the extent that they relate to the WPGG Assets, including, without limitation, all rights under manufacturers' and vendors' warranties.

(f) **Gulf Coast Warranties.** All representations, warranties and covenants of Gulf Coast made or assigned to SBI in connection with SBI's acquisition of the WPGG Assets, including but not limited to those set forth in the WPGG Purchase Agreement.

1.2. WPGG Excluded Assets. The following items (the "WPGG Excluded Assets") shall be excluded from the WPGG Assets and retained by SBI to the extent in existence on the Closing Date:

(a) **Accounts Receivable.** All notes and accounts receivable of SBI relating to or arising out of the broadcast of advertising on WPGG at any time prior to the Closing Date.

(b) **Cash and Investments.** All cash on hand or in bank accounts and all cash equivalents and similar investments of SBI, such as certificates of deposit.

(c) **Prepaid Items.** All deposits, reserves, and prepaid expenses and taxes (unless prorated as provided in Section 1.10. of this Agreement).

(d) **Personal Property.** All non-material tangible personal property disposed of or consumed in the ordinary course of business.

(e) **Insurance.** Except as otherwise provided under this Agreement, all right, title and interest in and to contracts or policies of insurance for the WPGG Assets and all claims or rights to payments which pre-date the Closing Date.

(f) **Securities.** Any and all securities owned or held by SBI.

(g) **Claims.** Any and all claims of SBI with respect to transactions which transpire prior to the Closing Date, including, without limitation, claims for tax refunds.

(h) **Contracts.** All agreements, leases, and contracts entered into or acquired by SBI not expressly assumed by Cumulus under this Agreement.

(i) **Benefit Plans.** Pension, profit-sharing, savings plans and trusts, other employee benefit plans, and any assets thereof.

(j) **Organizational Documents.** Books and records that pertain to SBI's organization or capitalization.

(k) **Other Assets.** Any and all other assets used or useful in the operation of WPGG that are not included in the WPGG Assets.

1.3. WNCV Assets. Subject to the terms set forth herein, at the Closing, Cumulus shall (x) pay SBI One Million Five Hundred Thousand Dollars (\$1,500,000) and (y) grant, convey, exchange, assign, transfer and deliver to SBI the WNCV Assets, which, except as otherwise specified herein, include all of Cumulus's right, title, and interest in and to the following properties, real and personal, tangible and intangible, and wherever located, used or held for use solely in the business and operations of WNCV:

(a) **Licenses and Authorizations.** All licenses, permits and other authorizations from the FCC (the "WNCV FCC Licenses") and other Governmental Authorities (the "WNCV Governmental Licenses"), copies of which are included in Schedule 1.3.(a) annexed hereto, together with any renewals or extensions thereof and additions thereto between the date of this

Agreement and the Closing Date, and all applications for renewal, modification, or extension thereof.

(b) **Tangible Personal Property.** Certain equipment, electrical devices, antennas, cables, fixtures, towers, spare parts, and other tangible personal property used or held for use solely in connection with the business and operations of WNCV which are listed on Schedule 1.3.(b) annexed hereto, and any additions and improvements thereto obtained or made between the date of this Agreement and the Closing Date (collectively, the “WNCV Tangible Personal Property”).

(c) **Files and Records.** All FCC logs and other records that are required to be maintained by the FCC and any additional records that relate solely to the WNCV Assets.

(d) **Claims.** Except as set forth on Section 1.4, any and all claims and rights against third parties if and to the extent that they relate solely to the WNCV Assets, including, without limitation, all rights under manufacturers’ and vendors’ warranties.

1.4. WNCV Excluded Assets. The following items (the “WNCV Excluded Assets”) shall be excluded from the WNCV Assets and retained by Cumulus to the extent in existence on the Closing Date:

(a) **Accounts Receivable.** All notes and accounts receivable of Cumulus relating to or arising out of the broadcast of advertising on WNCV at any time prior to the Closing Date.

(b) **Cash and Investments.** All cash on hand or in bank accounts and all cash equivalents and similar investments of Cumulus, such as certificates of deposit.

(c) **Prepaid Items.** All deposits, reserves, and prepaid expenses and taxes (unless prorated as provided in Section 1.10. of this Agreement).

(d) **Personal Property.** All non-material tangible personal property disposed of or consumed in the ordinary course of business.

(e) **Insurance.** Except as otherwise provided under this Agreement, all right, title and interest in and to contracts or policies of insurance for the WNCV Assets and all claims or rights to payments which pre-date the Closing Date.

(f) **Securities.** Any and all securities owned or held by Cumulus.

(g) **Claims.** Any and all claims of Cumulus with respect to transactions which transpire prior to the Closing Date, including, without limitation, claims for tax refunds.

(h) **Contracts.** All agreements, leases, and contracts entered into by or on behalf of Cumulus or relating WNCV not expressly assumed by SBI under this Agreement.

(i) **Benefit Plans.** Pension, profit-sharing, savings plans and trusts, other employee benefit plans, and any assets thereof.

(j) **Organizational Documents.** Books and records that pertain to Cumulus's organization or capitalization.

(k) **Other Assets.** Any and all other assets used or useful in the operation of WNCV that are not included in the WNCV Assets.

1.5. Liens and Liabilities.

(a) **Excluded and Permitted Liens.** Each party shall convey the WPGG Assets or the WNCV Assets, as the case may be, free and clear of all judgments, mortgages, liens, deeds of trust, security interests, pledges, restrictions, charges, claims, defects in title and encumbrances of any kind or nature whatsoever (collectively, "Liens") except for: (i) Liens for real estate taxes not yet due and payable for which an appropriate adjustment is received as provided by this Agreement, and (ii) Liens expressly included in real estate leases being acquired by one party from the other party hereunder (collectively "Permitted Encumbrances").

(b) **Retained Liabilities.** Except as otherwise specifically provided herein, neither party shall assume or be liable for (i) any liability or obligation of the other party arising out of or relating to any contract, lease, or other agreement except as otherwise expressly provided in this Agreement; (ii) any liability or obligation of the other party arising out of or relating to any employee benefit plan or otherwise relating to employment, including but not limited to liabilities for severance pay, vacation pay or COBRA (the parties recognizing that neither party has any obligation to employ the employees of the other party); (iii) any liability or obligation of the other party arising out of or relating to any litigation, proceeding or claim relating to the ownership or holding of the WPGG Assets or the WNCV Assets, as the case may be, prior to Closing (whether or not such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date); (iv) any other liabilities, obligations, debts or commitments of the other party whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown; or (v) any claims asserted against WPGG or WNCV or any of the WPGG Assets or WNCV Assets, or the other party, as the case may be, relating to any event (whether by act or omission) prior to the Closing Date, including without limitation, the payment of all taxes.

(c) **Discharge of Liabilities.** Each party shall retain and shall hereafter pay, satisfy, discharge, perform, and fulfill all obligations and liabilities of such party not expressly assumed by the other party hereunder.

1.6. Loan to SBI. Upon receipt notice from SBI concerning the date of closing for the WPGG Purchase Agreement, if received at least five (5) business days prior to such closing, CBL will make a loan (the "Loan") of One Million Five Hundred Thousand Dollars (\$1,500,000) on the closing date of the WPGG Purchase Agreement to SBI solely to be used by SBI to consummate its acquisition of the WPGG Assets, with the understanding that Cumulus will pay the monies from the Loan directly to Gulf Coast at such closing. The Loan will be memorialized in a Promissory Note (the "Note") in the form of Exhibit A annexed hereto and secured by (a) a pledge of all of the outstanding stock of SBI in the form of a Stock Pledge Agreement in the form of Exhibit B annexed hereto, (b) the personal guaranty of Ronald E. Hale, Sr. in the form of Exhibit C annexed hereto, (c) a mortgage to provide a security interest in any real property owned by SBI or any affiliate, and (d) a first priority security interest in (i) the WPGG Assets, along with any and all other assets acquired by SBI (which, for purposes of this section, includes

all affiliates of SBI) from, or otherwise used or useful in, the operation of WPGG, (ii) upon their acquisition by SBI, all assets owned or held by SBI and used or useful in the operation of WIJK(AM) in Evergreen, Alabama, (iii) upon their acquisition by SBI, all assets owned or held by SBI and used or useful in the operation of WBAU(AM) in Fort Walton Beach, Florida, and (iv) upon their acquisition by SBI, all assets owned or held by SBI and used or useful in the operation of any other radio station, with all of the foregoing to be memorialized in a Security Agreement in the form of Exhibit D annexed hereto. At the Closing, SBI shall pay CBL all monies owed under the Note. If this Agreement is terminated without any Closing, the Loan shall be repaid in accordance with the terms and conditions of the Note. Notwithstanding anything to the contrary in this Section, Cumulus shall have no obligation to make the Loan to SBI unless SBI and all of its stockholders execute the Intercreditor Agreement with Cumulus and Gulf Coast which (w) makes any loan from Gulf Coast to SBI subordinate to Cumulus's Loan, (x) establishes priorities for liens in any other assets acquired by SBI, (y) precludes SBI as well as its stockholders and affiliates from acquiring any other radio station assets, or entities owning or holding radio station assets, in or through any entity other than SBI, and (z) is otherwise satisfactory to Cumulus.

1.7. Closing.

(a) **Date and Location.** The consummation of the transactions provided for in this Agreement (the "Closing") shall be held at the offices of Dickstein Shapiro Morin & Oshinsky LLP, 2101 L Street, N.W., Washington, DC 20037, or through such other means (including facsimile and overnight courier deliveries) or at such other place mutually agreed to by the parties, commencing at 10:00 a.m. on a date (the "Closing Date") mutually agreed to or, in the absence of a mutual agreement, selected by Cumulus, which shall be within ten (10) days after the date on which each of the FCC orders (each an "Order" and collectively the "Orders") approving the assignment of the WPGG FCC Licenses from SBI to Cumulus and the assignment of the WNCV FCC Licenses from Cumulus to SBI becomes a "Final Order" (which, for purposes of this Agreement, means that the Order is no longer subject to reconsideration or review by the FCC or a court of competent jurisdiction under the Communications Act of 1934, as amended (the "Act") or the FCC rules promulgated thereunder): provided, that the parties shall not be obligated to proceed to Closing if (i) either Order includes conditions materially adverse to SBI or Cumulus, or (ii) the other conditions precedent to Closing have not been satisfied or waived; and provided further, that Cumulus may unilaterally waive the requirement that the FCC Orders become Final Orders and may require the Closing to occur at any time ten (10) days after the FCC provides public notice of the Orders. In the event the Closing occurs before each FCC Order becomes a Final Order, the parties shall execute a mutually agreeable rescission agreement.

(b) **Exchange of Documents.** At the Closing, each party shall execute and deliver to the other party documents specified herein as well as any additional document(s) and item(s) reasonably necessary for the consummation of the transactions contemplated herein, including but not limited to bills of sale and assumption agreements. Such additional documents shall be reasonably satisfactory to the other party as to both form and substance.

1.8. Allocation. SBI and Cumulus shall allocate the respective fair market values of the WPGG Assets and the WNCV Assets in accordance with the requirements of Section 1060 of the Code. The allocation shall be determined by mutual agreement of the parties prior to the Closing or, in the absence of agreement, by an independent certified public accountant or

appraiser (in either case, the "CPA") jointly selected by the parties within thirty (30) days after the Closing Date and whose decision shall be final and binding on the parties. The fees and expenses of the CPA shall be divided equally by the parties. Each party shall file its federal income tax returns and its other tax returns in accordance with such allocation.

1.9. Timing. Time is of the essence to the parties' performance under this Agreement. Except as otherwise provided by Article 11, the parties intend that the Closing occur no later than one year from the date of this Agreement.

1.10. Adjustments.

The respective operations of WPGG and WNCV and the respective expenses attributable thereto through the date preceding the Closing Date (the "Adjustment Date") shall be for the account of SBI and Cumulus, respectively, and thereafter for the account of the assignee thereof, and, if any expense is properly allocable or credited, then it shall be allocated, charged or prorated accordingly. Expenses for goods or services received both before and after the Adjustment Date, power and utilities charges, and rents and similar prepaid and deferred items shall be prorated as of the Adjustment Date in accordance with generally accepted accounting principles. All special assessments and similar charges imposed against the WPGG Assets or the WNCV Assets, as the case may be, in respect of any period of time through the Adjustment Date, whether payable in installments or otherwise, shall be the responsibility of the assignor, and amounts payable with respect to such special assessments and charges in respect of any period of time after the Adjustment Date shall be the responsibility of the assignee, and such charges shall be adjusted as required hereunder. To the extent that any of the foregoing prorations and adjustments cannot be determined as of the Closing Date, the parties shall conduct a final accounting and make any further payments within ninety (90) days after the Closing. If the parties cannot reach agreement on the final accounting by that date, the parties shall, within ten (10) days thereafter, select a CPA to review the matter, and the CPA's decision shall be final and binding on the parties. The fees and expenses of the CPA shall be divided equally between the parties.

ARTICLE 2. FCC Applications. Within ten (10) days after SBI acquires the WPGG Assets, SBI and Cumulus shall file the following applications (each an "Application" and collectively the "Applications") with the FCC: (1) an Application requesting the FCC's consent to assign the WPGG FCC Licenses from SBI to CLL; and (2) an Application requesting the FCC's consent to assign the WNCV FCC Licenses from CLL to SBI. Each party shall diligently prosecute the FCC Applications, furnish all information required by the FCC in connection therewith, attend all FCC meetings or hearings scheduled to consider the Applications, promptly provide the other party with copies of any pleadings, orders and other communications (including e-mails) to or from the FCC concerning the Applications, and cooperate with the other party in opposing any petitions to deny and other objections to the grant of either or both Applications: provided, that no party will be required to take any action that would be materially adverse to such party or any affiliate of such party.

ARTICLE 3. Representations and Warranties of SBI

SBI represents and warrants to Cumulus as to the truth of the following matters as of the date of this Agreement or, as the case may be, the date on which SBI acquires the WPGG Assets:

3.1. Company Status. SBI (a) is duly formed, validly existing and in good standing under the laws of the State of Florida, (b) is qualified to do business in the State of Alabama and has the requisite power to carry on the business of WPGG and to own or hold the WPGG Assets, and (c) has the requisite power to enter into and consummate the transactions contemplated by this Agreement.

3.2. Authority. All actions necessary to be taken by or on the part of SBI in connection with the transactions contemplated by this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed, and delivered by SBI and constitutes the legal, valid and binding obligation of SBI, enforceable against SBI in accordance with its terms, except as enforceability may be limited by laws affecting the enforcement of creditors' rights or equitable principles generally. At the Closing, SBI will provide Cumulus with certified resolutions of SBI's stockholders and board of directors authorizing the execution, delivery, and consummation of this Agreement.

3.3. No Conflict. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (a) conflict with or violate the organizational documents of SBI; (b) conflict with or violate or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under, any contract or other agreement to which SBI is a party or by which it is bound or by which WPGG or any of the WPGG Assets may be affected, or result in the creation of any Lien upon any of the WPGG Assets; or (c) violate any judgment, decree, order, statute, law, rule or regulation of any court or other Governmental Authority applicable to SBI, WPGG or any of the WPGG Assets.

3.4. WPGG Real Estate Leases. Copies of all WPGG Real Estate Leases are included in Schedule 1.1.(c) and have been complied with in all material respects by SBI. To SBI's knowledge, neither Gulf Coast nor any other party to any of the WPGG Real Estate Leases is in default thereunder. All the WPGG Real Estate Leases are in full force and effect and are valid, binding and enforceable in accordance with their respective terms, except as enforceability may be limited by laws affecting the enforcement of creditors rights or equitable principles generally.

3.5. Taxes. SBI, or, as the case may be, Gulf Coast has (to SBI's knowledge) filed all applicable federal, state, local and foreign tax returns required to be filed, all in accordance with provisions of law pertaining thereto with respect to the WPGG Assets, and has paid all taxes, interest penalties and assessments (including without limitation income, withholding, excise, unemployment, Social Security, occupation, transfer, franchise, property, sales and use taxes, import duties or charges, and all penalties and interest in respect thereof) required to have been paid with respect to or involving SBI or the WPGG Assets. SBI has not been advised that any of such returns have been or are being audited by the IRS or any other Governmental Authority.

3.6. WPGG Licenses. SBI is the holder of the WPGG FCC Licenses and the WPGG Governmental Licenses, copies of which are included in Schedule 1.1.(a) to this Agreement. All of the WPGG FCC Licenses and the WPGG Governmental Licenses are in full force and effect.

The WPGG FCC Licenses constitute all of the licenses required under the Act and the rules and policies of the FCC for the operation of WPGG as currently conducted. The WPGG FCC Licenses authorize the operation of WPGG for a license term expiring on February 1, 2012. The WPGG FCC Licenses are not subject to any conditions except (a) those set forth on the licenses themselves, (b) those set forth in the *Report and Order*, and (c) those set forth in the Act and FCC rules and policies and applicable to radio stations in the same service and class. SBI has timely filed with the FCC, the FAA and any other Governmental Authorities which have issued the WPGG Governmental Licenses all material applications, reports and other documents required by applicable law and government regulation governing such licenses, including but not limited to the Act and FCC rules and policies. Except as specified in Schedule 3.6 annexed hereto, there is not pending or, to SBI's knowledge, threatened, any petition, complaint, objection (whether formal or informal), order to show cause, investigation, or other action by or before the FCC or any court to revoke, cancel, rescind, modify, or refuse to renew any of the WPGG FCC Licenses. Other than matters identified in Schedule 3.6 and proceedings of general applicability to the radio industry, there is not now pending or, to SBI's knowledge, threatened, any other petition, complaint, objection (whether formal or informal), investigation, order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or other proceeding pending or, to SBI's knowledge, threatened before the FCC or any court that involves WPGG or the WPGG Assets. WPGG is operating in material compliance with the WPGG FCC Licenses and the WPGG Governmental Licenses as well as applicable law and government regulation governing such licenses, including the Act and the rules and policies of the FCC. To the extent required by applicable law, the FCC has a current and accurate Antenna Structure Registration for the tower utilized by WPGG, and a copy of that registration is included in Schedule 1.1(a).

3.7. Environmental. No hazardous or toxic waste, substance, material or pollutant (collectively "Hazardous Waste"), as defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.*, the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601 *et seq.*, the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 6901 *et seq.*, the Clean Water Act, as amended, 42 U.S.C. § 1251 *et seq.*, the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.* or any other applicable federal, state or local law, or any regulations or policies adopted pursuant to such laws (the foregoing laws, regulations and policies collectively referred to herein as the "Environmental Laws") has been released, emitted or discharged by SBI or, to SBI's knowledge, any other party on or in any of the WPGG Assets; nor, to SBI's knowledge, is any Hazardous Waste currently located in or on WPGG Assets in violation of any Environmental Laws. Based on SBI's use thereof and, to SBI's knowledge, any prior owner's use thereof, the WPGG Assets are not subject to and do not involve any material violation of any Environmental Laws, including but not limited to FCC rules, policies and guidelines concerning RF radiation. SBI has not received any notice, summons, citation, directive, letter or other communication, written or oral, from the United States, the States of Alabama or Florida, or any other party concerning any intentional or unintentional action or omission on the part of SBI or any other party which resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping or disposing of Hazardous Waste on, above or under WPGG Assets.

3.8. Consents. Except for the FCC and parties to certain WPGG Real Estate Leases as specified herein, the execution, delivery and performance by SBI of this Agreement and the

consummation of the transactions contemplated hereby will not require any consent, permit, license or approval of, or filing with or notice to, any person or entity.

3.9. WPGG Tangible Personal Property. Schedule 1.1.(b) contains a description of WPGG Tangible Personal Property. At the Closing, SBI will have good, valid and marketable title to all of the WPGG Tangible Personal Property, free and clear of all Liens (other than Permitted Encumbrances). All items of the WPGG Tangible Personal Property necessary for the operation of WPGG are in good operating condition and repair, ordinary wear and tear excepted, are free from material defect and damage, are functioning in the manner and for the purposes for which they were intended, have been duly maintained, and do not require any repairs other than normal routine maintenance.

3.10. Compliance with Law. SBI, the WPGG Assets and WPGG are each in material compliance with all applicable law and government regulation. Without limiting the foregoing, SBI has paid all monies and obtained all licenses, permits, certificates and authorizations material to the operation of WPGG and the use of the WPGG Assets. SBI has filed all material reports and other documents required to be filed with any Governmental Authority with respect to the WPGG Assets. SBI has not received or been made aware of any order, decision or notice, not heretofore complied with, from any Governmental Authority or any insurance or inspection body that any of the WPGG Assets fails to comply with any applicable law, government regulation, or judicial order.

3.11. Insurance. SBI maintains insurance policies relating to the WPGG Assets bearing the policy numbers, for the terms, with the companies, in the amounts, and providing the general coverage set forth on Schedule 3.11 annexed hereto. All of such policies are in full force and effect at Closing.

3.12. Litigation. Except as set forth in Schedule 3.12 annexed hereto, SBI has not been operating under and is not subject to, or in default with respect to, any order, judgment, writ, injunction, or decree of any court or Governmental Authority, which has had or could reasonably be expected to have a material adverse effect on the WPGG Assets or the manner in which SBI operates WPGG. There is no litigation, arbitration, dispute, proceeding or investigation ("Litigation") pending by or against, or, to SBI's knowledge, threatened against WPGG, the WPGG Assets, or SBI which relates to or affects the WPGG Assets or the business of WPGG or which materially interferes or could reasonably be expected to materially interfere with SBI's (1) right, title or interest in and to the WPGG Assets, (2) operation of WPGG, or (3) ability to transfer the WPGG Assets to Cumulus free of such Litigation.

3.13. Brokers. There is no broker or finder or other person entitled to a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, SBI.

3.14. Qualification. To its knowledge, SBI is qualified under the Act and the rules and policies of the FCC to hold the WNCV FCC Licenses.

3.15. Insolvency. No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting SBI or any of the WPGG Assets is pending or, to SBI's knowledge, threatened, and SBI has not made any assignment for the benefit of creditors, nor

taken any actions with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

3.16. Disclosure. No provision of this Agreement relating to SBI, WPGG or the WPGG Assets or any other document, Schedule, or Exhibit furnished by SBI to Cumulus in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading.

ARTICLE 4. Representations and Warranties of Cumulus

Cumulus represents and warrants to SBI as to the truth of the following matters:

4.1. Company Status. CBL and CCL each (1) is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Nevada, (2) is duly qualified to do business and is in good standing in the State of Florida, and (3) has the requisite power to carry on the business of WNCV as it is now being conducted and to enter into and consummate the transactions contemplated by this Agreement.

4.2. Authority. All company actions necessary to be taken by or on the part of Cumulus in connection with the transactions contemplated by this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed, and delivered by Cumulus and constitutes the legal, valid and binding obligation of Cumulus, enforceable against Cumulus in accordance with its terms, except as enforceability may be limited by laws relating to creditors' rights or equitable principles generally. At the Closing, Cumulus will provide SBI with a certified resolution of CBL's member authorizing the execution, delivery and consummation of this Agreement.

4.3. No Conflict. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (a) conflict with or violate the articles of organization or operating agreements of CBL or CCL; (b) conflict with or violate or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under, any contract or other agreement to which CBL or CCL is a party or by which it is bound, or by which WNCV or any of the WNCV Assets may be affected, or result in the creation of any Lien upon any of the WNCV Assets; or (c) violate any judgment, decree, order, statute, law, rule or regulation of any court or other Governmental Authority applicable to Cumulus, WNCV or any of the WNCV Assets.

4.4. Taxes. Cumulus has filed all applicable federal, state, local and foreign tax returns required to be filed, all in accordance with provisions of law pertaining thereto, and has paid all taxes, interest, penalties and assessments (including without limitation income, withholding, excise, unemployment, Social Security, occupation, transfer, franchise, property, sales and use taxes, import duties or charges, and all penalties and interest in respect thereof) required to have been paid with respect to or involving Cumulus or the WNCV Assets. Cumulus has not been advised that any of such returns have been or are being audited by the IRS or any other Governmental Authority.

4.5. WNCV Licenses. Cumulus is the holder of the WNCV Licenses and WNCV Governmental Licenses, copies of which are included in Schedule 1.3.(a) to this Agreement. All of the WNCV FCC Licenses and the WNCV Governmental Licenses are in full force and effect. The WNCV FCC Licenses constitute all of the licenses required under the Act and the rules and policies of the FCC for the operation of WNCV as currently conducted. The WNCV FCC Licenses authorize the operation of the WNCV for a license term expiring on February 1, 2012. The WNCV FCC Licenses are not subject to any conditions except those set forth on the licenses themselves and those conditions set forth in the Act and FCC rules and policies and applicable to radio stations in the same service and class. Cumulus has timely filed with the FCC, the FAA and any other Governmental Authorities which have issued the WNCV Governmental Licenses all material applications, reports and other documents required by applicable law and government regulation, including but not limited to the Act and FCC rules and policies. There is not pending or, to Cumulus's knowledge, threatened, any petition, complaint, objection (whether formal or informal), order to show cause, investigation, or other action by or before the FCC or any court to revoke, cancel, rescind, modify, or refuse to renew any of the WNCV FCC Licenses. Other than proceedings of general applicability to the radio industry, there is not now pending or, to Cumulus's knowledge, threatened, any other petition, complaint, objection (whether formal or informal), investigation, order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or other proceeding pending or, to Cumulus's knowledge, threatened or before the FCC or any court that involves WNCV or the WNCV Assets. WNCV is operating in material compliance with the WNCV FCC Licenses and the WNCV Governmental Licenses as well as applicable law and government regulation governing such licenses, including the Act and the rules and policies of the FCC.

4.6. Environmental. No Hazardous Waste as defined under any Environmental Laws has been released, emitted or discharged by Cumulus or, to Cumulus's knowledge, any other party, in or on any of the WNCV Assets; nor, to Cumulus's knowledge, is any Hazardous Waste currently located in or on the WNCV Assets in violation of any Environmental Laws. Based on Cumulus's use thereof and, to Cumulus's knowledge, any prior owner's use thereof, the WNCV Assets are not subject to and do not involve any material violation of any Environmental Laws, including but not limited to FCC rules, policies and guidelines concerning RF radiation. Cumulus has not received any notice, summons, citation, directive, letter or other communication, written or oral, from the United States, the State of Florida, or any other party concerning any intentional or unintentional action or omission on the part of Cumulus or any other party which resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping or disposing of Hazardous Waste on, above or under WNCV Assets.

4.7. Consents. Except for the FCC as specified herein, the execution, delivery and performance by Cumulus of this Agreement and the consummation of the transactions contemplated hereby will not require any consent, permit, license or approval of, or filing with or notice to, any person or entity.

4.8. WNCV Tangible Personal Property. Schedule 1.3.(b) contains a description of WNCV Tangible Personal Property. At the Closing, Cumulus will have good, valid and marketable title to all of the WNCV Tangible Personal Property, free and clear of all Liens (other than Permitted Encumbrances). All items of the WNCV Tangible Personal Property necessary for the operation of WNCV are in good operating condition and repair, ordinary wear and tear excepted, are free from material defect and damage, are functioning in the manner and for the

purposes for which they were intended, have been duly maintained, and do not require any repairs other than normal routine maintenance.

4.9. Compliance with Law. Cumulus, the WNCV Assets and WNCV are each in material compliance with all applicable law and government regulation. Without limiting the foregoing, Cumulus has paid all monies and obtained all governmental licenses, permits, certificates and authorizations material to the operation of WNCV and the use of the WNCV Assets. Cumulus has filed all material reports and other documents required to be filed with any Governmental Authority with respect to the WNCV Assets. Cumulus has not received any order, decision or notice, not heretofore complied with, from any Governmental Authority or any insurance or inspection body that any of the WNCV Assets fails to comply with any applicable law or government regulation.

4.10. Insurance. Cumulus maintains insurance policies relating to the WNCV Assets bearing the policy numbers, for the terms, with the companies, in the amounts, and providing the coverage set forth on Schedule 4.10 annexed hereto. All of such policies are in full force and effect.

4.11. Litigation. Except as set forth in Schedule 4.11 annexed hereto, Cumulus has not been operating under and is not subject to, or in default with respect to, any order, judgment, writ, injunction, or decree of any court or Governmental Authority which has had or could reasonably be expected to have a material adverse effect on the WNCV Assets or the manner in which Cumulus currently operates WNCV. There is no Litigation pending by or against, or, to Cumulus's knowledge, threatened against WNCV, the WNCV Assets or Cumulus which relates to or affects the WNCV Assets or the business of WNCV or which materially interferes or could reasonably be expected to materially interfere with Cumulus's (1) right, title, or interest in and to the WNCV Assets, (2) operation of WNCV, or (3) ability to transfer the WNCV Assets to SBI free of such Litigation.

4.12 Brokers. There is no broker or finder or other person entitled to a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Cumulus.

4.13. Qualification. To its knowledge, Cumulus is qualified under the Act and the rules, and policies of the FCC to hold the WPGG FCC Licenses.

4.14. Insolvency. No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Cumulus or any of the WNCV Assets is pending or, to Cumulus's knowledge, threatened, and Cumulus has not made any assignment for the benefit of creditors, nor taken any actions with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

4.15. Disclosure. No provision of this Agreement relating to Cumulus, WNCV or the WNCV Assets or any other document, Schedule, or Exhibit furnished by Cumulus to SBI in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading.

ARTICLE 5. Covenants of SBI Pending the Closing

SBI covenants and agrees that, from the date of this Agreement, or, when the context otherwise requires, the date SBI acquires the WPGG Assets, until the Closing, SBI shall take or, as the case may be, refrain from taking the following actions:

5.1. Maintenance of WPGG. SBI shall operate WPGG in all material respects in accordance with the terms of the WPGG FCC Licenses and WPGG Governmental Licenses and in material compliance with all applicable law and government regulations. To that end, SBI will timely file with the FCC any and all reports, applications, and disclosures as may be required by the Act or FCC rules or policies. SBI shall maintain in full force and effect through and including the Closing Date the existing property damage, liability, and other insurance with respect to the WPGG Assets. Prior to the Closing, SBI will not, without the prior written consent of Cumulus:

(a) sell, lease, transfer, or agree to sell, lease, or transfer any material WPGG Assets without replacement thereof with an asset of equivalent kind, condition, and value;

(b) enter into any contract or agreement with respect to the WPGG Assets except in the ordinary course of business or as provided in this Agreement;

(c) make any material change in the insurance policies included in Schedule 3.10 to the extent they relate to the WPGG Assets; or

(d) solicit or entertain, directly or indirectly, any proposal to sell all or any portion of the WPGG Assets to any third party by assignment, transfer of SBI's ownership interest, merger, or otherwise.

5.2. Access to Facilities, Files, and Records. At the reasonable request of Cumulus, SBI shall give Cumulus and its representatives (a) reasonable access during normal business hours to all facilities, property, accounts, title papers, insurance policies, licenses, agreements, commitments, records, machinery, fixtures, furniture, and inventories related to WPGG or the WPGG Assets, and (b) all such other information concerning the affairs of WPGG as Cumulus may reasonably request. The rights of Cumulus under this Section shall not be exercised in such a manner as to interfere unreasonably with the business or operations of WPGG.

5.3. Change in Circumstances. SBI shall give notice to Cumulus promptly upon the occurrence of, or upon becoming aware of the impending or threatened occurrence of, any event that would (a) cause or constitute a material breach of any of SBI's representations or warranties in this Agreement or (b) affect the consummation of the WPGG Purchase Agreement or SBI's acquisition of the WPGG Assets, including but not limited to any event or change in circumstances that would constitute a breach of any party's representations, warranties, covenants, or obligations under the WPGG Purchase Agreement.

5.4. Consents. SBI shall use commercially reasonable efforts to obtain prior to the Closing consents to the assignment to or assumption by Cumulus of all WPGG Real Estate Leases included in the WPGG Assets that require the consent of any third party.

5.5. Notice of Proceedings. SBI will notify Cumulus promptly (and in any event within five (5) business days) upon becoming aware of any actual or threatened claim, dispute, arbitration, litigation, complaint, judgment, order, decree action or proceeding relating to SBI, Gulf Coast, WPGG, the WPGG Assets, or the consummation of this Agreement or the WPGG Purchase Agreement, or any transaction contemplated herein or therein.

5.6. Confidential Information. SBI shall not disclose to third parties, other than its employees and agents for purposes of consummating the transactions contemplated hereby (who shall also be made subject to the restrictions of this section), any information, whether or not in writing, received from Cumulus or its agents in the course of evaluating, investigating, negotiating, and consummating the transactions contemplated by this Agreement, all of which shall be deemed confidential: provided, that no information shall be deemed to be confidential that (a) becomes publicly known or available other than through disclosure by SBI; (b) is rightfully received by SBI from a third party who has no obligation to Cumulus; or (c) is independently developed by SBI. If this Agreement is terminated without any Closing, all originals of all material provided to SBI by Cumulus or its agents shall be returned to Cumulus and all copies thereof shall be destroyed.

5.7. Consummation of Agreements. SBI shall fulfill and perform all conditions and obligations to be fulfilled and performed by SBI under (a) this Agreement, (b) the WPGG Purchase Agreement, and (c) the separate purchase agreements to acquire the WBAU Assets and assets used or useful in the operation of any other radio station that SBI proposes to sell to Cumulus, and make every commercially reasonable effort to cause the transactions contemplated by this Agreement and those other agreements to be fully carried out.

5.8. Compliance with Law. SBI will comply in all material respects with all applicable laws and government regulations, including but not limited to the Act and the rules and policies of the FCC.

5.9. Performance under WPGG Real Estate Leases. SBI will perform in all material respects its obligations under, and keep in good standing, all WPGG Real Estate Leases to which SBI is a party and which will be assigned to Cumulus at the Closing pursuant to this Agreement.

5.10. Gulf Coast Purchase Agreement. SBI shall promptly provide Cumulus with copies of all closing documents executed in conjunction with, and all other communications or other documents related to, the WPGG Purchase Agreement.

5.11. Construction of New Facilities. SBI shall (a) promptly provide Cumulus with copies of any and all documents it receives that involve communications to or from the FCC with respect to the *Report and Order*, including but not limited to any applications filed for the modification of the WPGG FCC Licenses, and (b) (i) use any and every commercially reasonable effort to secure a new construction permit (the "Construction Permit") at the earliest practicable time, (ii) consult with Cumulus in the negotiation of a lease for the use of a new tower site (the "Tower Lease") on terms acceptable to Cumulus, and (iii) undertake construction to implement the relocation of WPGG's facilities in accordance with the Construction Permit at the earliest practicable time.

5.12. Broadcast of Announcements. Beginning on the date that is at least four (4) weeks prior to the Closing (but in no event prior to the date on which the FCC provides public

notice of the Orders), SBI shall broadcast without charge 60-second announcements on WPGG which (a) are provided by Cumulus, (b) advise the public of the forthcoming change in frequency for the WNCV format, and (c) are broadcast at least once every day-part on every day during the first week, at least once every other hour during the second and third weeks, and at least once every hour during the fourth week: provided, that, in the event the Closing occurs less than four weeks after the FCC provides public notice of the Orders, the frequency of the announcements shall be broadcast to maximize the number of announcements (so that the announcement will always be broadcast at least once an hour during the last week prior to Closing).

ARTICLE 6. Covenants of Cumulus Pending the Closing

Cumulus covenants and agrees that from the date hereof until the Closing it shall take or, as the case may be, refrain from taking the following actions:

6.1. Maintenance of WNCV. Cumulus shall operate WNCV in all material respects in accordance with the terms of the WNCV FCC Licenses and WNCV Governmental Licenses and in material compliance with all applicable laws and government regulations. To that end, Cumulus will timely file with the FCC any and all reports, applications, and disclosures as may be required by the Act or FCC rules or policies with respect to WNCV. Cumulus shall maintain in full force and effect through and including the Closing Date the existing property damage, liability, and other insurance with respect to the WNCV Assets. Prior to the Closing, Cumulus will not, without the prior written consent of SBI:

(a) sell, lease, transfer, or agree to sell, lease, or transfer any WNCV Assets without replacement thereof with an asset of equivalent kind, condition, and value;

(b) make any material change in the insurance policies included in Schedule 3.13 to the extent they relate to the WNCV Assets; or

(c) solicit or entertain any, directly or indirectly, any proposal to sale all or any portion of the WNCV Assets to any third party by assignment, transfer of Cumulus' ownership interests, merger or otherwise.

6.2. Access to Facilities, Files, and Records. At the reasonable request of SBI, Cumulus shall give SBI and its representatives (a) reasonable access during normal business hours to all facilities, property, accounts, title papers, insurance policies, licenses, agreements, commitments, records, machinery, fixtures, furniture, and inventories related to WNCV or the WNCV Assets, and (b) all such other information concerning the affairs of WNCV as SBI may reasonably request. The rights of SBI under this Section shall not be exercised in such a manner as to interfere unreasonably with the business or operations of WNCV.

6.3. Representations and Warranties. Cumulus shall give notice to SBI promptly upon the occurrence of, or upon becoming aware of the impending or threatened occurrence of, any event that would cause or constitute a material breach of any of Cumulus's representations or warranties in this Agreement.

6.4. Notice of Proceedings. Cumulus will notify SBI promptly (and in any event within five (5) business days) upon becoming aware of any actual or threatened claim, dispute,

arbitration, litigation, complaint, judgment, order, decree action or proceeding relating to Cumulus, WNCV, the WNCV Assets, or the consummation of this Agreement or any transaction contemplated herein.

6.5. Confidential Information. Cumulus shall not disclose to third parties, other than its employees and agents for purposes of consummating the transactions contemplated hereby (who shall also be made subject to the restrictions of this section), any information, whether or not in writing, received from SBI or its agents in the course of evaluating, investigating, negotiating, and consummating the transactions contemplated by this Agreement, all of which shall be deemed confidential: provided, that no information shall be deemed to be confidential that (a) becomes publicly known or available other than through disclosure by Cumulus; (b) is rightfully received by Cumulus from a third party who has no obligation to SBI; or (c) is independently developed by Cumulus. If this Agreement is terminated without any Closing, all originals of all material provided to Cumulus by SBI or its agents shall be returned to SBI and all copies thereof shall be destroyed.

6.6. Consummation of Agreement. Cumulus shall fulfill and perform all conditions and obligations to be fulfilled and performed by Cumulus under this Agreement and make every commercially reasonable effort to cause the transactions contemplated by this Agreement to be fully carried out.

6.7. Compliance with Law. Cumulus will comply in all material respects with all applicable laws and government regulations with respect to WNCV, including but not limited to the Act and the rules and policies of the FCC.

6.8. Broadcast of Announcements. Beginning on the date that is at least four (4) weeks prior to the Closing (but in no event prior to the date on which the FCC provides public notice of the Orders), Cumulus shall broadcast without charge 60-second announcements on WNCV which (a) are provided by SBI, (b) advise the public of the forthcoming change in frequency for the WPGG format, and (c) are broadcast at least once every day-part on every day during the first week, at least once every other hour during the second and third weeks, and at least once every hour during the fourth week provided, that, in the event the Closing occurs less than four weeks after the FCC provides public notice of the Orders, the frequency of the announcements shall be broadcast to maximize the number of announcements (so that the announcement will always be broadcast at least once an hour during the last week prior to Closing).

ARTICLE 7. Conditions to the Obligation of SBI to Close

The obligation of SBI to consummate the transactions contemplated by this Agreement is, at its option, subject to the fulfillment of the following conditions prior to or at the Closing:

7.1. Cumulus's Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Cumulus contained in this Agreement shall have been true and correct in all material respects as of the date when made and on the Closing Date, except for those representations and warranties already qualified by materiality, and, in that latter event, the representations and warranties shall be true and correct in all respects.

(b) Cumulus shall have performed and complied in all material respects with the covenants and obligations required by this Agreement to be performed or complied with by it prior to or on the Closing Date, except for those covenants and obligations already qualified by materiality and, in that latter event, the covenants and obligations shall have been performed in all respects.

(c) Cumulus shall have furnished SBI with a certificate, dated the Closing Date and duly executed by an authorized officer, to the effect that the conditions set forth in Sections 7.1.(a) and (b) have been satisfied.

7.2. Proceedings. Neither party shall be subject to any injunction or other order of a court or other Governmental Authority prohibiting the consummation of the transactions contemplated hereby. In the event such an order is in effect, the Closing shall be delayed (without regard to any other provision of this Agreement) for a period not to exceed six (6) months after all other conditions to Closing have been satisfied. This Agreement may be terminated according to its terms if such injunction or other order remains in effect at that time.

7.3. FCC Orders. The FCC Orders shall have been issued without conditions materially adverse to SBI.

7.4. Deliveries. Cumulus shall have complied with its obligations set forth in Article 9.

ARTICLE 8. Conditions to the Obligations of Cumulus to Close

The obligation of Cumulus to consummate the transactions contemplated by this Agreement is, at its option, subject to the fulfillment of the following conditions prior to or at the Closing:

8.1. SBI's Representations, Warranties and Covenants.

(a) Each of the representations and warranties of SBI contained in this Agreement shall have been true and correct in all material respects as of the date when made and as of the Closing Date, except for those representations and warranties already qualified by materiality, and, in that latter event, the representations and warranties shall be true and correct in all respects.

(b) SBI shall have performed and complied in all material respects with the covenants and obligations required by this Agreement to be performed or complied with by it prior to or at the Closing except for those covenants and obligations already qualified by materiality and, in that latter event, the covenants and obligations shall have been performed in all respects.

(c) SBI shall have furnished Cumulus with a certificate, dated the Closing Date and duly executed by an authorized officer, to the effect that the conditions set forth in Sections 8.1(a) and (b) have been satisfied.

8.2. Proceedings. Neither party shall be subject to any injunction or other order of a court or other Governmental Authority prohibiting the consummation of the transactions

contemplated hereby. In the event such an injunction or other order is in effect, the Closing shall (notwithstanding any other provision of this Agreement) be delayed for a period not to exceed six (6) months after all other conditions to Closing have been satisfied. This Agreement may be terminated according to its terms if such injunction or other order remains in effect at that time.

8.3. FCC Orders. The FCC Orders shall have been issued without conditions materially adverse to Cumulus, and each shall have become a Final Order.

8.4. Deliveries. SBI shall have complied with its obligations set forth in Article 9.

8.5. Required Consents. SBI shall have obtained all of the third party consents required to assign to Cumulus all of the WPGG Real Estate Leases.

8.6. Gulf Coast Closing. SBI shall have (a) consummated the WPGG Purchase Agreement in accordance with its terms and without any amendment thereto and acquired the WPGG Assets without any material modification thereof and (b) provided Cumulus with copies of all the documents exchanged between Gulf Coast and SBI in conjunction with such closing.

8.7. Construction of New Facilities. (a) the *Report and Order* shall have become a Final Order, (b) Gulf Coast or, as the case may be, SBI shall have complied with every requirement or condition in that order that had to be performed prior to Closing, (c) the FCC shall have issued the Construction Permit, and it shall be included in the WPGG FCC Licenses to be assigned to Cumulus, (d) SBI shall have executed the Tower Lease on terms and conditions acceptable to Cumulus, (e) neither SBI nor any other party to the Tower Lease shall be in breach thereof and the lease shall otherwise be included in all references herein to the WPGG Real Estate Leases, (f) SBI shall have completed construction of the new facilities in accordance with the terms of the Construction Permit, and (g) SBI shall have (x) filed a Form 302 license application with the FCC which reflects the completion of construction of the new facilities for WPGG in accordance with the terms of the Construction Permit and (y) initiated on air broadcasts on the new facilities under Program Test Authority.

8.9. Material Adverse Change. There shall not have been any material adverse change in the business, prospects, finances, or operations of WPGG that have had or could reasonably be expected to have a material adverse effect on the value or operations of WPGG as a whole: provided, that this condition shall not be based on any change in law or government regulation applicable to the radio industry generally or to changes in local, regional or national economical, social or political conditions.

ARTICLE 9. Items to be Delivered at Closing

9.1. Deliveries by SBI. At the Closing, SBI shall deliver to Cumulus the following items:

(a) bills of sale, certificates of title, endorsements, assignments, general warranty deeds and other good and sufficient instruments of conveyance, transfer and assignment, in form

and substance reasonably satisfactory to Cumulus, sufficient to convey, transfer and assign the WPGG Assets to Cumulus free and clear of any Liens (other than Permitted Encumbrances);

(b) all third party consents required to assign to Cumulus all the WPGG Real Estate Leases;

(c) certified copies of resolutions, duly adopted by the board of directors and the shareholders of SBI, which shall be in full force and effect at the time of the Closing, authorizing SBI's execution, delivery, performance and consummation of this Agreement;

(d) the certificate referred to in Section 8.1.(c);

(e) Estoppel Certificates and Lien Search Reports relating to the WPGG Assets;

(f) an opinion of counsel in the form of Exhibit E annexed hereto;

(g) the documents referenced in Section 1.6 hereof; and

(h) all monies owed to Cumulus under the Note.

9.2. Deliveries by Cumulus. At the Closing, Cumulus shall deliver to SBI the following items:

(a) bills of sale, certificates of title, endorsements, assignments, general warranty deeds and other good and sufficient instruments of conveyance, transfer and assignment, in form and substance reasonably satisfactory to SBI, sufficient to convey, transfer and assign the WNCV Assets to SBI free and clear of any Liens (other than Permitted Encumbrances);

(b) a lease in the form of Exhibit F annexed hereto authorizing SBI to use the tower on which the WNCV transmission facilities are currently located;

(c) certified copies of resolutions, duly adopted by the Member of CBL, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery, performance and consummation of this Agreement;

(d) the certificate referred to in Section 7.1(c);

(e) Lien Search Reports relating to the WNCV Assets;

(f) an opinion of counsel in the form of Exhibit G annexed hereto

(g) payment of the One Million Five Hundred Thousand Dollars (\$1,500,000) referenced in Section 1.1.

ARTICLE 10. Indemnification

10.1. Survival. The several representations, warranties, covenants, and agreements of SBI and Cumulus contained in or made pursuant to this Agreement shall be deemed to have been

made on and as of the Closing, shall survive the Closing, and shall remain operative and in full force and effect for a period of twenty-four (24) months after the Closing: provided, that all representations, warranties, covenants and obligations relating to Sections 3.5, 3.6, 3.7, 3.10, 4.4, 4.5, 4.6, and 4.9 shall survive the Closing and remain operative until the expiration of any applicable statutes of limitation or, in the case of Environmental Laws, five (5) years after the Closing; and provided further, that liabilities assumed or retained by SBI or Cumulus, as the case may be, pursuant to this Agreement shall remain in effect until such liabilities have been paid or discharged in full.

10.2. Indemnification of Cumulus. SBI shall indemnify, defend, and hold Cumulus and its parent, affiliates, members, officers, directors, employees and agents (who, for purposes of this Article, are included in all references to Cumulus) harmless from and against any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorneys' fees (collectively "Loss and Expense") suffered, directly or indirectly, by Cumulus after the Closing Date by reason of, or arising out of, (a) any breach of a representation or warranty made by SBI pursuant to this Agreement, (b) any failure by SBI to perform or fulfill any of its covenants or obligations set forth in this Agreement, (c) any failure by SBI to pay or discharge any liabilities assumed or retained by SBI under this Agreement or to comply, if required, with any bulk sales law in Florida applicable to the sale of the WPGG Assets, or (d) any litigation, proceeding, or claim by any third party relating to the business or operation of WPGG prior to Closing or the business or operation of WNCV after Closing.

10.3. Indemnification of SBI. Cumulus shall indemnify, defend and hold SBI and its affiliates, stockholders, officers, directors, employees and agents (who for purposes of this Article, are included in all references to SBI) harmless from and against any and all Loss and Expense suffered, directly or indirectly, by SBI after the Closing Date by reason of, or arising out of, (a) any breach of a representation or warranty made by Cumulus pursuant to this Agreement, (b) any failure by Cumulus to perform or fulfill any of its covenants or obligations set forth in this Agreement, (c) any failure by Cumulus to pay or discharge any liabilities assumed or retained pursuant to this Agreement or to comply, if required, with any bulk sales law in Florida applicable to the sale of the WNCV Assets, or (d) any litigation, proceeding, or claim by any third party relating to the business or operation of WNCV prior to Closing or the business or operation of WPGG after Closing.

10.4. Notice of Claim. If either SBI or Cumulus believes that any Loss and Expense has been suffered or incurred, such party shall notify the other promptly in writing describing such Loss and Expense, the amount thereof, if known, and the method of computation of such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any action at law or suit in equity is instituted by a third party with respect to which any of the parties intends to claim any liability or expense as Loss and Expense, such party shall promptly notify the indemnifying party of such action or suit. In no event, however, may the indemnifying party avoid or limit its obligations by reason of any delay unless such delay has prejudiced the indemnifying party, and then the indemnifying party's obligations shall be reduced only to the extent of such prejudice.

10.5. Defense of Third Party Claims. The indemnifying party shall have the right to conduct and control, through counsel of that party's own choosing, any third party claim action,

or suit at the indemnifying party's sole cost and expense, but the indemnified party may, at that latter party's election, participate in the defense of any such claim, action, or suit at that party's sole cost and expense: provided, that if the indemnifying party shall fail to defend any such claim action or suit then the indemnified party may defend through counsel of that party's own choosing, such claim, action or suit and settle such claim, action, or suit, and recover from the indemnifying party the amount of such settlement or of any judgment and the costs and expenses of such defense; and provided further, that the indemnifying party shall be given at least (15) days prior notice of the terms of any proposed settlement thereof so that the indemnifying party may then undertake and/or resume the defense against the claim. The indemnifying party shall not compromise or settle any third party claim, action, or suit without the prior written consent of the indemnified party, which consent will not be unreasonably withheld or delayed: provided, that the indemnified party shall be obligated to provide its consent if such compromise or settlement includes a release for the indemnified party of all liability with respect to the matter being compromised or settled, a reimbursement of the indemnified party for all Loss and Expense incurred in conjunction with the aforesaid claim, action, or suit, and a provision which denies any liability for the claim.

10.6. Limitations. Neither party shall be required to indemnify the other party under this Article unless written notice of a claim under this Article was received by the party within the pertinent survival period specified in this Article.

ARTICLE 11. Termination

11.1. Bases for Termination. This Agreement may be terminated immediately on or prior to the Closing upon notice by one party to the other (or as otherwise specified in this Section) under one of the following circumstances:

- (a) by the mutual written consent of the parties;
- (b) by SBI, if any of the conditions provided in Article 7 hereof have not been met by the time required and have not been waived;
- (c) by Cumulus, if any of the other conditions provided in Article 8 hereof have not been met by the time required and have not been waived;
- (d) by Cumulus, if the Closing has not occurred within the time specified in Section 1.9 of this Agreement, and by SBI if the Closing has not occurred within twenty-four (24) months after the time specified in Section 1.9;
- (e) by SBI or Cumulus, as the case may be, under Section 12.5 or Section 12.6 hereof;
- (f) by Cumulus, if the WPGG Purchase Agreement is terminated without a closing resulting in SBI's acquisition of the WPGG Assets; or
- (g) by SBI or Cumulus, if the FCC denies either Application in an order which becomes a Final Order or the FCC designates either Application for hearing in an order which becomes a Final Order.

11.2. Payment of Loan. Notwithstanding anything in this Article to the contrary, SBI may not terminate this Agreement unless, prior to or simultaneous with such termination, SBI has paid or pays in full any and all monies which SBI owes to Cumulus under or in conjunction with the Loan by wire transfer of immediately available funds.

11.3. Liabilities Upon Termination. If the parties fail to consummate this Agreement on the Closing Date due to either party's material breach of any representation, warranty, covenant or obligation hereunder, and the other party is not at that time in material breach of any representation, warranty, covenant or obligation hereunder, then such party shall be entitled to (a) obtain specific performance of the terms of this Agreement and the other party's obligation to consummate the transactions contemplated hereby (in light of the unique character of the WPGG Assets and the WNCV Assets and the difficulty, if not impossibility, of quantifying such party's damages) and (b) pursue any other remedies which such party may have at law or equity. If any action is brought by such party to enforce this Agreement by specific performance, the other party shall waive the defense that such party has an adequate remedy at law.

11.4. Notice of Breach. In the event that any party to this Agreement believes that the other party is in material breach of its representations, warranties, covenants or obligations hereunder, such party shall give prompt written notice thereof, detailing the nature of the breach and the steps necessary to cure such breach. For purposes of this Agreement, no "breach" shall be deemed to have occurred hereunder unless the party alleged to be in breach has been afforded a cure period of at least thirty (30) days following receipt of such notice within which to cure such breach.

ARTICLE 12. Miscellaneous

12.1. Expenses. Each party shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement, including without limitation, accounting and legal fees incurred in connection herewith: provided, that: (a) SBI and Cumulus shall each pay one-half of the FCC filing fees required to be paid in connection with each of the Applications; (b) SBI shall be exclusively responsible, and Cumulus shall not have any liability or responsibility, for any sales or transfer taxes (including without limitation any real estate transfer taxes), arising from the transfer of the WPGG Assets; (c) Cumulus shall be exclusively responsible, and SBI shall not have any liability or responsibility, for any sales or transfer taxes (including without limitation any real estate transfer taxes), arising from the assignment and transfer of the WNCV Assets; and (d) SBI and Cumulus shall divide equally up to \$20,000 in outdoor advertising (which would be in place at least one month prior to Closing and remain in place for one month after Closing) to advise the public of the change in formats for WPGG and WNCV (with WPGG adopting the format currently utilized by WNCV and WNCV adopting the format currently utilized by WPGG) (but with the understanding that Cumulus shall be solely responsible for all costs of preparing copy to be utilized in such outdoor advertising).

12.2. Remedies Cumulative. The remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party of any other rights or the seeking of any other remedies against the other party.

12.3. Further Assurances. From time to time prior to, on and after the Closing, each party will execute all such instruments and take all such actions as any other party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions contemplated by this Agreement, including without limitation the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered at the Closing, and any and all actions which may reasonably be necessary to complete the transactions contemplated hereby. The parties shall use commercially reasonable efforts to cooperate with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

12.4. Public Announcements. Except as required by applicable law or government regulation or with the other party's express written consent, which shall not be unreasonably withheld, no party shall issue any press release or make any public statement (oral or written) regarding the transactions contemplated by this Agreement.

12.5. Broadcast Transmission Interruption.

(a) **Interruption of WPGG.** If the regular broadcast transmission of WPGG in the normal and usual manner is interrupted after SBI's acquisition of the WPGG Assets but before Closing hereunder for a period of six (6) consecutive hours or more, SBI shall give prompt written notice thereof to Cumulus with an explanation of the cause of the interruption and with prompt notice thereafter of the restoration of on air service. After receiving notice of interruption, Cumulus shall have the right, by giving written notice to SBI, to postpone (and if necessary re-postpone) the Closing to a date that is fifteen (15) days after the date on which on air service is restored. If regular broadcast transmission in the normal and usual manner is interrupted for a continuous period of 48 hours or more at any time prior to the Closing, Cumulus shall have the right, by giving written notice to SBI, to (i) terminate this Agreement or (ii) postpone the Closing as provided above. In no event shall this subsection be applicable to any reasonable interruption of on air service by WPGG caused by or incident to the relocation of WPGG's transmission facilities in accordance with the *Report and Order*.

(b) **Interruption of WNCV.** If the regular broadcast transmission of WNCV in the normal and usual manner is interrupted before Closing for a period of six (6) consecutive hours or more, Cumulus shall give prompt written notice thereof to SBI with an explanation of the cause of the interruption and with prompt notice thereafter of the restoration of on air service. After receiving notice of the interruption, SBI shall have the right by giving written notice to Cumulus, to postpone (and if necessary re-postpone) the Closing to a date that is fifteen (15) days after the end of any such interruption. If regular broadcast transmission in the normal and usual manner is interrupted for a continuous period of 48 hours or more at any time prior to the Closing, SBI shall have the right, by giving written notice to Cumulus, to (i) terminate this Agreement or (ii) postpone the Closing as provided above.

12.6. Risk of Loss.

(a) **Damage to WPGG Assets.** The risk of loss, damage or destruction to any of the WPGG Assets shall be borne by SBI at all times prior to the Closing, and it shall be the responsibility of SBI to repair or replace any lost, damaged or destroyed asset to its condition prior to any such loss, damage, or destruction. In the event of any such loss, damage or

destruction, the proceeds of any claim under any insurance policy with respect thereto shall be used to repair, replace, or restore any such asset to its former condition, subject to the conditions set forth below. In the event of any loss, damage, or destruction to any of the WPGG Assets, SBI shall notify Cumulus thereof in writing immediately. Such notice shall specify with particularity the loss, damage or destruction incurred, the cause thereof (if known or reasonably ascertainable), and whether insurance coverage is applicable and, if so, to what extent. In the event that any asset is not completely repaired, replaced or restored on or before the Closing, Cumulus may, at its option, (i) elect to postpone Closing until such time as the asset has been completely repaired, replaced or restored (and, if necessary, the parties shall request from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs); or (ii) elect to consummate the Closing and accept the asset in its current condition, in which event SBI shall pay to Cumulus all proceeds of insurance along with an amount equal to the deductible and assign to Cumulus the right to receive any unpaid proceeds; or (iii) terminate this Agreement.

(b) Damage to WNCV Assets. The risk of loss, damage or destruction to any of the WNCV Assets shall be borne by Cumulus at all times prior to the Closing, and it shall be the responsibility of Cumulus to repair or to restore the asset to its condition prior to any such loss, damage, or destruction. In the event of any such loss, damage, or destruction, the proceeds of any claim under any insurance policy with respect thereto shall be used to repair, replace, or restore any such asset to its former condition, subject to the conditions set forth herein. In the event of any loss, damage, or destruction to any of the WNCV Assets, Cumulus shall notify SBI thereof in writing immediately. Such notice shall specify with particularity the loss, damage or destruction incurred, the cause thereof (if known or reasonably ascertainable), and whether insurance coverage is applicable and, if so, to what extent. In the event that any asset is not completely repaired, replaced or restored on or before the scheduled Closing, SBI may at its option, (i) elect to postpone Closing until such time as the asset has been completely repaired, replaced or restored (and, if necessary, the parties shall request from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs); or (ii) elect to consummate the Closing and accept the asset in its then condition, in which event Cumulus shall pay to SBI proceeds of insurance along with an amount equal to the deductible and assign to SBI the right to receive any unpaid proceeds; or (iii) terminate this Agreement.

12.7. Assignments. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed, or conditioned: provided, that Cumulus may assign its rights and obligations under this Agreement without the prior written consent of SBI to any entity controlled by or under common control with Cumulus.

12.8. Notices. All notices and other communications authorized or required by this Agreement shall be in writing, shall be delivered by personal delivery or by overnight delivery service (charges prepaid) and shall be delivered to each party at the following addresses (or at such other address as any party may designate in writing to the other parties):

If to SBI –

Ronald E. Hale, Jr., President
Star Broadcasting, Inc.

21 Miracle Strip Parkway
Fort Walton Beach, FL 32548

With a copy to (but which shall not constitute notice to SBI):

Timothy K. Brady, Esq.
Law Office of Timothy K. Brady
P.O. Box 71309
Newman, GA 30271-1309

If to Cumulus --

Richard S. Denning
General Counsel & Vice President
Cumulus Media Inc.
3535 Piedmont Road
Building 14, 14th Floor
Atlanta, GA 30305

With a copy to (but which shall not constitute notice to Cumulus):

Lewis J. Paper, Esq.
Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, N.W.
Washington, DC 20037

12.9. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Florida without regard to conflict of laws provisions.

12.10. Waiver of Provisions. The terms, covenants, representations, warranties, and conditions of this Agreement may be waived only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall not affect the exercise of a party's rights at a later date. No waiver by any party of any condition or the breach of any provision, term, covenant, representation, or warranty contained in this Agreement in any one or more instances shall be construed as a further or continuing waiver of any such condition in any other instance or of the breach of any other provision, term, covenant representation, or warranty of this Agreement.

12.11. Counterparts. This Agreement may be executed in counterparts, and all counterparts executed shall collectively constitute one agreement, binding on all of the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart.

12.12. Reimbursement of Legal Expenses. If a formal legal proceeding is instituted by a party to enforce that party's rights under this Agreement, the party prevailing in the proceeding shall be reimbursed by the other party for all reasonable costs incurred thereby, including but not limited to reasonable attorneys' fees.

12.13. Access to Records. Any records delivered by one party to the other party relating to the WPGG Assets or the WNCV Assets, as the case may be, shall be maintained by the receiving party for three (3) years after the Closing Date. Upon reasonable prior notice, the other party shall be entitled to inspect and copy any such records at its expense. In the event that it wishes to dispose of such records, the receiving party shall give the other party thirty (30) days' prior written notice and an opportunity to retrieve such records at its expense.

12.14. Entire Agreement. This Agreement and the documents referenced herein constitute the entire agreement among the parties with respect to the subject matter hereof, supersede and cancel any and all prior or contemporaneous agreements and understanding between them with respect to the subject matter hereof, and may not be amended except in a writing signed by the parties.

12.15. Update of Schedules. At or prior to Closing, SBI and Cumulus shall each update the schedules relating to the WPGG Assets or, as the case may be, the WNCV Assets, to account for non-material changes in circumstances or events that arise after the date of this Agreement and before the Closing: provided, that in no event shall SBI or Cumulus, as the case may be, be obligated to assume any contract, real estate lease, or other liability except as may be required by this Agreement or in accordance with a document executed by the party to be charged with the assumption of any new responsibility or other liability.

12.16. Right of First Refusal. If it decides at any time within ten (10) years after Closing to entertain any proposal to sell the WNCV Assets, whether by sale of the assets themselves, the ownership interests of SBI, or otherwise (in any case, the "Sale"), SBI shall provide Cumulus with a copy of a written proposal for such Sale executed by the third party buyer, and Cumulus shall have thirty (30) days after receipt thereof to provide a proposal that is comparable to such proposal in all material respects. In no event shall SBI execute any agreement for any Sale with a third party without providing Cumulus with such opportunity to provide a proposal that is comparable in all material respects. Cumulus may assign its rights under this section with the prior approval of SBI, which shall not be unreasonably withheld, conditioned, or delayed. Cumulus's rights under this Section may be enforced by specific performance in accordance with the provisions of Section 11.3 hereof.

12.17. Changes in Formats. Notwithstanding anything to the contrary in this Agreement, for a period of sixty (60) months after the Closing, neither SBI nor any successor-in-interest to the WNCV Assets shall institute an AC or country program format, or any similar or derivative format, on WNCV. This provision is material to Cumulus' inducement to enter into this Agreement and may be enforced by specific performance in accordance with the provisions of Section 11.3 hereof.

ARTICLE 13. Rules of Construction

13.1. Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

- (a) Applications" shall have the meaning set forth in Article 2 of this Agreement.

(b) "Construction Permit" shall have the meaning set forth in Section 5.11 of this Agreement.

(c) "Environmental Laws" shall have the meaning set forth in Section 3.7 of this Agreement.

(d) "Estoppel Certificates" shall mean estoppel certificates in customary form and substance executed by the lessor of any real estate lease confirming, *inter alia*, the terms of the lease, the absence of any defaults, and the lessor's approval to the assignment of such lease.

(e) "FCC" means the Federal Communications Commission.

(f) "Governmental Authority" means any governmental entity, domestic or foreign, which exercises any executive, legislative, judicial, or administrative functions of a government at a national, federal, state or local level.

(g) "IRS" means the Internal Revenue Service.

(h) "Lien" shall have the meaning set forth in Section 1.5(a).

(i) "Lien Search Report" means a standard lien search report, dated no more than ten (10) days prior to the Closing Date, confirming the absence of any Liens, other than the Permitted Encumbrances, on the WPGG Assets or, as the case may be, the WNCV Assets.

(j) "Litigation" shall have the meaning set forth in Section 3.12 of this Agreement.

(k) "Permitted Encumbrances" shall have the meaning set forth in Section 1.5(a).

(l) "Tower Lease" shall have the meaning set forth in Section 5.11 of this Agreement.

(m) "WNCV Assets" shall have the meaning set forth in Section 1.3.1 of this Agreement.

(n) "WPGG Assets" shall have the meaning set forth in Section 1.1.1 of this Agreement.

(o) "WNCV Excluded Assets" shall have the meaning set forth in Section 1.3.2 of this Agreement.

(p) "WPGG Excluded Assets" shall have the meaning set forth in Section 1.1.2 of this Agreement.

(q) "WNCV FCC Licenses" shall have the meaning set forth in the Section 4.5 of this Agreement.

(r) "WPGG FCC Licenses" shall have the meaning set forth in the Section 3.6 of this Agreement.

(s) "WNCV Governmental Licenses" shall have the meaning set forth in Section 1.3.2. of this Agreement.

(t) "WPGG Governmental Licenses" shall have the meaning set forth in Section 1.1.2. of this Agreement.

(u) "WPGG Real Estate Leases" shall have the meaning set forth in Section 1.1.1.(c) of this Agreement.

13.2. Other Definitions. Other capitalized terms used in this Agreement shall have the meanings ascribed to them herein.

13.3. Number and Gender. Whenever the context so requires, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns of any gender shall be construed to mean or include any other gender or genders. The conjunctive shall include the disjunctive and vice versa.

13.4. Headings and Cross-references. Headings of the sections have been included for convenience of reference only and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross-references to sections herein shall mean the section of this Agreement unless otherwise stated or clearly required by the context. Words such as "herein" and "hereof" shall be deemed to refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise stated or clearly required by the context. The term "including" means "including without limitation."

13.5. Computation of Time. Whenever any time period provided for in this Agreement is measured in "business days," there shall be excluded from such time period each day that is a Saturday, Sunday, recognized federal legal holiday, or other day on which the FCC's offices are closed and are not reopened prior to 5:30 p.m. Washington D.C. time. In all other cases all days shall be counted.

13.6. Drafting of Agreement. The parties acknowledge that each has had the opportunity, with the advice of counsel, to participate in the preparation of this Agreement, and, no interpretation of this Agreement at any point or under any circumstance shall be premised on the presumption that ambiguities are to be construed against any party as the principal draftsman of the Agreement.

13.7. WBAU Option. On this same day, SBI shall execute a separate Option Agreement providing Cumulus with an irrevocable and exclusive option to acquire the WBAU Assets.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

STAR BROADCASTING, INC.

By: _____
Robert E. Hale, Jr.
President

CUMULUS BROADCASTING LLC

By: _____
Richard S. Denning
General Counsel & Vice President

CUMULUS LICENSING LLC

By: _____
Richard S. Denning
General Counsel & Vice President

EXHIBIT B

ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT (the "Agreement") is made as of this 18th day of April 2005 by and among Star Broadcasting, Inc. ("SBI"), a Florida corporation, on the one hand, and Cumulus Broadcasting LLC ("CBL") and Cumulus Licensing LLC ("CLL" and, with CBL, sometimes collectively referred to hereinafter as "Cumulus"), each a Nevada limited liability company, on the other hand.

Recitals

WHEREAS, SBI is contemplating the acquisition of certain assets used and useful in the operation of radio station WTKE(FM) ("WTKE") in Holt, Florida from Capstar TX Limited Partnership and Capstar Radio Operating Company (collectively, "Capstar"), including but not limited to licenses and other authorizations (the "WTKE FCC Licenses") issued by the Federal Communications Commission ("FCC"), pursuant to an Asset Exchange Agreement (the "WTKE Purchase Agreement"), dated as of 2002; and

WHEREAS, SBI's acquisition of the WTKE FCC Licenses has been approved by the FCC pursuant to an order dated February 14, 2003, File No. BALH-20021224ACX; and

WHEREAS, SBI will need Eight Hundred Fifty Thousand Dollars (\$850,000) in order to pay the anticipated purchase price for the assets used or useful in the operation of WTKE; and

WHEREAS, Cumulus is prepared to loan SBI Eight Hundred Fifty Thousand Dollars (\$850,000) to enable SBI to consummate its acquisition of the assets used or useful in the operation of WTKE if, but only if, (1) SBI enters into this Agreement to assign to Cumulus certain assets used or useful in the operation of WTKE (the "WTKE Assets") in exchange for the assignment from Cumulus to SBI of certain assets (the "WYZB Assets") used or useful in the operation of WYZB(FM) ("WYZB") in Mary Esther, Florida, along with payment to SBI at Closing, as defined herein, of One Million Five Hundred Thousand Dollars (\$1,500,000), (2) SBI enters into an intercreditor agreement (the "Intercreditor Agreement"), along with its stockholders, which precludes SBI or its stockholders from acquiring the assets of any other radio station, or the ownership interests of an entity owning or holding the assets for any radio station, through any person or entity other than SBI until SBI's obligation to repay that Eight Hundred Fifty Thousand Dollars (\$850,000), along with accrued interest and related expenses, has been satisfied or extinguished, and (3) SBI executes a separate Option Agreement as of this same date providing Cumulus with an option to acquire assets (the "WBAU Assets") used or useful in the operation of WBAU(AM) in Fort Walton Beach, Florida if and when SBI acquires those assets;

WHEREAS, subject to the terms and conditions set forth herein, the parties intend that the transactions contemplated by this Agreement qualify as a like-kind exchange in accordance with the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, in view of the foregoing and the mutual promises and covenants forth herein, the parties hereby agree as follows: